

Having thus described the preferred embodiments, the invention is now claimed to be:

1. A method for conducting a commercial transaction carried out over the Internet, said method comprising:

5 (a) synchronizing a token with a periodically changing non-predictable code;

(b) providing an account holder with the token, said token displaying the periodically changing non-predictable code;

10 (c) receiving a code communicated by a buyer in the commercial transaction; and,

(d) comparing the received code with the periodically changing non-predictable code to authenticate the buyer as the account holder when the received code matches the periodically changing non-predictable code.

2. The method according to claim 1, said method comprising:

5 in step (a), further providing the account holder with a unique user name such that the periodically changing non-predictable code is associated with the unique user name;

in step (b), further receiving a user name communicated by the buyer; and,

10 wherein, in step (c), the received code communicated by the buyer is compared to the periodically changing non-predictable code associated with the received user name communicated by the buyer.

3. The method according to claim 1, said method further comprising:

5 (e) authorizing completion of the commercial transaction when the buyer has been authenticated as the account holder; and,

(f) denying authorization for completion of the commercial transaction when the buyer has not been authenticated as the account holder.

4. The method according to claim 1, wherein in step (b) an amount for the commercial transaction is also received, and said method further comprises:

5 (e) regardless of authentication, denying authorization to complete the commercial transaction when the amount for the commercial transaction exceeds a threshold; and,

10 (f) authorizing completion of the commercial transaction when the amount for the commercial transaction is less than or equal to the threshold and the buyer has been authenticated as the account holder.

5. The method according to claim 4, wherein the threshold represents an amount selected from a group consisting of funds on deposit for the account holder and credit available to the account holder.

6. A method of carrying out commercial transactions, said method comprising:

5 (a) generating a number of separate periodically changing non-predictable codes;

10 (b) assigning unique user names to a number of account holders, each user name being associated with one of the separate periodically changing non-predictable codes;

15 (c) providing the account holders with tokens, each token being synchronized with step (a) to generate the same separate periodically changing non-predictable code associated with the unique user name assigned to the account holder being provided the token;

20 (d) receiving codes along with user names communicated by buyers involved in commercial transactions; and,

(e) for each set of received codes and user names, authenticating the buyer as the account holder having the corresponding user name when the received code matches the periodically changing non-predictable code for the user name communicated.

7. The method according to claim 6, wherein each separate periodically changing non-predictable code is a string of alpha-numeric characters.

8. The method according to claim 7, wherein there are at least 6 alpha-numeric characters in each string.

9. The method according to claim 6, said method further comprising:

displaying in a human-viewable format the periodically changing non-predictable codes generated by each 5 token.

10. The method according to claim 9, wherein the periodically changing non-predictable codes generated by each token is displayed on the token itself.

11. The method according to claim 9, said method further comprising:

indicating an amount of time remaining until a next change of the periodically changing non-predictable codes.

12. The method according to claim 6, said method further comprising:

(f) authorizing completion of the commercial transactions in which the buyer involved has been 5 authenticated.

13. The method according to claim 6, wherein the commercial transactions are carried out over the Internet.

14. The method according to claim 12, said method further comprising:

selecting a number of merchants doing business on the Internet; and,

5 providing the selected merchants with transaction objects to be load onto Internet connected servers, said

servers being used to carry out commercial transactions between the merchants and the buyers over the Internet;

10 wherein said transaction objects are accessed by the buyers when communicating the codes and the user names such that in step (d) the codes along with the user names are received.

15. A method of conducting commercial Internet transactions, said method comprising:

(a) selecting merchants as designated sellers for buyers to perform commercial transactions with;

5 (b) providing the selected merchants with transaction objects to be installed on Internet connected servers, said servers being used to perform commercial transactions between the merchants and buyers;

10 (c) providing account holders with user names and tokens, said tokens generating periodically changing non-predictable codes associated with the user names of the account holders to which the tokens were provided;

(d) remotely generating the same periodically changing non-predictable codes associated with each user 15 name;

(e) receiving sets of information associated with the commercial Internet transactions due to buyers accessing the transaction objects of selected merchants, each set of information including a pass code, and a user name; and,

20 (f) authenticating each buyer as the account holder having the received user name when the received pass code matches the remotely generated periodically changing non-predictable code for that user name.

16. The method according to claim 15, wherein when the set of information received includes a user name that has not been provided to any account holder, authentication is denied.

17. The method according to claim 15, said method further comprising:

prior to step (c), obtaining personal information about each account holder; and,

5 after step (f), communicating to merchants the personal information of account holders corresponding to authenticated buyers.

18. The method according to claim 17, wherein for each account holder the obtained personal information includes an account holder address.

19. A method of processing commercial transactions carried out over the Internet between account holders and participating merchants, said method comprising the steps of:

5 (a) receiving a purchase request of a buyer from a participating merchant indicating that the buyer desires to carry out a transaction with the merchant, said transaction including the buyer purchasing one or more selected items from the merchant;

10 (b) authenticating the buyer as an account holder; (c) establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items;

(d) communicating the transaction fulfillment data to the participating merchant;

15 (e) receiving transaction details from the participating merchant, said transaction details including a cost for the selected items;

(f) authorizing completion of the transaction and establishing an authorization code therefor; and,

20 (g) communicating the authorization code for the transaction to the participating merchant.

20. The method according to claim 19, wherein authenticating the buyer as an account holder includes using at least one factor authentication.

21. The method according to claim 19, wherein authenticating the buyer as an account holder includes using biometric authentication.

22. The method according to claim 19, wherein the cost of the selected items is the total price of the selected items including tax and shipping costs.

23. The method according to claim 19, wherein establishing the transaction fulfillment data includes:

using a previously obtained destination as the delivery destination for the selected items.

24. The method according to claim 23, wherein establishing the fulfillment data further includes:

obtaining an alternate destination from the buyer, said alternate destination being different from the 5 previously obtained destination;

transmitting a security question to the buyer;

receiving a response to the security question from the buyer; and,

10 using the alternate destination as the delivery destination for the selected items when the response to the security question is accurate.

25. The method according to claim 19, wherein the delivery destination is a non-identifying destination such that anonymity of the buyer is maintained with respect to the participating merchant.

26. The method according to claim 19, wherein said method further includes obtaining restriction instructions from account holders.

27. The method according to claim 26, wherein said restriction instructions block authorizing the completion of transactions with participating merchants identified in the restriction instructions.

28. The method according to claim 26, wherein said restriction instructions block authorizing the completion of recurring transactions which are not separately participated in by the account holder from whom the restriction instructions were obtained.

29. The method according to claim 19, wherein authorizing completion of the transaction includes comparing the cost of the selected items to a threshold such that if the cost is less than or equal to the threshold authorization is given and if the cost is greater than the threshold authorization is denied.

30. The method according to claim 29, wherein the threshold represents an amount selected from a group consisting of funds on deposit for the account holder and credit available to the account holder.

31. The method according to claim 19, wherein authorizing completion of the transaction and establishing an authorization code therefor includes:

transmitting the transaction details of the
5 authenticated account holder directly to a funding source which determines if the account holder has one of sufficient funds on deposit with the funding source or sufficient credit available through the funding source to cover the cost of the selected items; and,
10 receiving the authorization code from the funding source.

32. The method according to claim 19, wherein said method further comprises the steps of:

(h) obtaining settlement information from the participating merchant, said settlement information including
5 the authorization code and transaction details for the completed transaction;

(i) confirming that the transaction details corresponding to the authorization code received with the settlement information are within a desired tolerance; and,

10 (j) communicating the confirmed settlement information directly to a funding source which reimburses the participating merchant for the cost of the selected item and bills the account holder.

33. The method according to claim 32, wherein obtaining the settlement information includes automatically capturing the settlement information from the participating merchant upon an indication of delivery of the selected 5 items.

34. The method according to claim 19, wherein step (b) precedes step (a).

35. The method according to claim 19, wherein authenticating the buyer as an account holder includes:

5 synchronizing a token with a periodically changing non-predictable code;

providing the account holder with the token, said token displaying the periodically changing non-predictable code;

receiving a code communicated by the buyer; and, comparing the received code with the periodically

10 changing non-predictable code to authenticate the buyer as the account holder when the received code matches the periodically changing non-predictable code.

